



*Representative*

**Karen Keiser**



## **33rd District Consumer News**

Dear Friends and Neighbors,

With less than two weeks left until the end of the regular 1997 legislative session, I wanted to let you know about several issues that you may not have heard much about — but which could have a huge impact on you.

We won't know whether these bills will become law until the end of session, but I want to keep you informed about how legislative proposals may affect your interests while you still have time to voice your concerns to the Legislature and the Governor.

The bills I've chosen to summarize in this mailing affect 1) individual access to health care; 2) how much we'll have to pay for electricity and ATM use, and 3) how much in taxes health care providers should pay. I will do an end-of-session wrap-up to address other issues. In the meantime, don't hesitate to contact me via telephone, e-mail, regular mail, or fax.

**Rep. Karen Keiser**

### 1997 BILLS AFFECTING CONSUMERS

#### ***Protecting consumers from ATM surcharges***



Washington consumers will spend about \$89 million this year on ATM surcharges — those fees charged by banks at automatic teller machines. For the past 20 years, the industry banned consumer surcharges, and paid for their ATM machines with a "switch" fee that was absorbed by financial institutions. The switch fee is still being paid, but banks said to other banks' customers: "To avoid the surcharge, switch your account to us."

Credit unions and locally-owned community banks objected to the big out-of-state banks' manipulation of the market place and asked the Legislature to call a "time out." Unfortunately, the issue has been tabled by the majority party and unless consumers object strongly, the bill will die without further action.

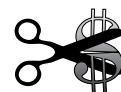
#### ***Preserving your access to health insurance***



Any individual with a pre-existing condition must be allowed to purchase health insurance and wait just three months for full coverage under current law. Unfortunately, ESHB 2018 will restrict consumers who suffer from arthritis, diabetes or other pre-existing health conditions from buying insurance to cover their condition for up to 14 months. It also gives insurance companies the right to drop any plan or coverage, such as maternity care, with just 90 days notice. I fought against this bill because it retreats from improved access to health care.

People under the age of 65, who don't yet qualify for Medicare/Medicaid coverage would be most vulnerable. Nearly 40,000 people between the ages of 55 and 65 purchase individual health insurance, and it is the rare person at this age who doesn't have some kind of pre-existing condition. If this bill becomes law, those who are turned down for coverage will be faced with the choice of going without health coverage or being forced into the Washington State Insurance Pool, where rates are much higher and benefits are capped.

#### ***Keeping the lid on Medicare premiums***



Many seniors wrote and called me about SHB 1219, a bill that exempted managed care companies (HMOs) from the 2 percent Medicare premium tax. The seniors were concerned that the tax would have been passed on to seniors in the form of higher premiums. I voted for this bill because I agree that Medicare recipients

Please call or write me when:

- You need help in dealing with a state agency.
- You have questions or comments on state issues.
- You have an idea for law.
- You have any other problem I can help you with.

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keiser\_ka@leg.wa.gov

You may leave a message for me or the governor at the Toll-free Legislative Hotline:  
1-800-562-6000

TDD (for the hearing-impaired):  
1-800-635-9993



who use managed care plans should be protected from the threat of having a 2 percent premium tax added to their bills.

This bill remains in the Senate awaiting action.

**Safeguarding personal injury protection**



Personal injury protection (PIP) is a type of insurance consumers buy as part of their automobile insurance policy. PIP is no-fault coverage that pays for medical bills, wage loss, disability, and death benefits if you are injured in a car accident, or hit by a care as a pedestrian. Several bills this session tried to limit PIP coverage. One bill would stop consumers who have more than one PIP policy from collecting from each policy they've purchased if they are injured or killed in an accident. I opposed these new limits, but the measure did pass the House and is now awaiting action in the Senate.

**Taxpayer bailout of insurance companies**



Insurance companies won a big tax break with the passage of SSB 5334. This measure was a top priority for the insurance industry. It created an open-ended tax credit for the industry in the event that an insurance company with policy holders in this state became insolvent. So although consumers who are policy holders are protected if the insurance company fails the taxpayer ends up as the "deep pocket" to cover the losses via the tax exemption on insurance companies who participate in the bailout. I find the situation somewhat similar to the savings and loan bailout of a decade ago, but luckily at this time, we have no huge insurance companies facing insolvency. The potential liability however, is huge, because our amendment to limit tax credits to no more than \$7 million a year failed. (For example, Safeco has two and a half BILLION dollars in policies, and although no one is worried about that company, the size of the states' potential liability is sobering!)

**Energy deregulation could cost you**



Several major industries have been pushing hard for rapid deregulation of our state's electrical energy industry. We in Washington state enjoy the nation's cheapest, cleanest power. I have great concerns that the rapid deregulation of our electrical industry may well mean higher rates for consumers and homeowners.

Under deregulation, you would choose your power company much like we now choose long distance phone companies. Big industrial users would probably be able to arrange the cheapest rates and residential customers could be stuck with convenience-store prices. Programs for low-income energy assistance may also be put at risk. This is a major issue that I believe must be thoroughly studied and understood. Deregulation will continue to be part of the legislative agenda in Olympia. Please let me know your views.

If you are a concerned consumer, I hope this information is useful. The toll-free legislative hotline is one of the easiest ways available for you to contact me or any other legislator. Be sure and call 1-800-562-6000 if you want information or want to share you opinion.

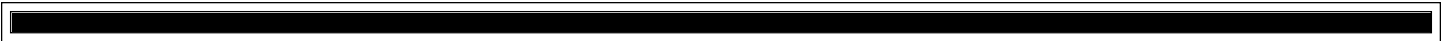
Thanks for your interest!

**UPCOMING TOWN HALL MEETINGS**

**"1997 Legislative Session Report"**  
**Reps. Karen Keiser and Rod Blalock**

■ **May 20 — Des Moines Town Hall**  
7 p.m - 9 p.m.  
Des Moines City Hall  
Council Chambers  
21630 11th Ave. S.  
Des Moines

■ **May 21 — Kent**  
7 p.m. - 9 p.m.  
Kent City Hall  
Council Chambers  
220 Fourth Ave. S.  
Kent



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